



The council-mandated 2009 EMS Levy Financial and Compliance Audit determined that the EMS Division managed the 2009 EMS Levy funds in accordance with the council-adopted 2009 financial plan and policies, including the restricted reserve and contingency funds. We also assessed whether the EMS strategic initiatives advanced the EMS regional system's strategic objectives of improving out-of-hospital patient care, managing the growth of paramedic services, and achieving system efficiencies that resulted in cost savings or cost avoidance.

The audit found that, while the strategic initiatives advanced EMS system objectives of achieving efficiencies and cost savings or avoidances, putting additional emphasis on benchmarking business operations and use of performance measures and targets will promote greater transparency and accountability in developing future strategic initiatives.

### **Background**

King County's Medic One/Emergency Medical Services (EMS) system provides internationally recognized out-of-hospital patient care, including life-saving medical assistance, to the 1.8 million residents throughout the county. The EMS system is funded principally by a voter-approved, six-year EMS Levy. The 2008 to 2013 EMS Levy provides an average of approximately \$68 million annually for advanced life support (ALS), basic life support, regional services, and strategic initiatives. Strategic initiatives are identified in the EMS strategic plan as the drivers of system efficiencies and cost savings.

### **Audit Objectives**

1. Review the EMS Division's practices in managing the EMS Levy revenues and expenditures and in ensuring compliance with the 2009 EMS policies and financial plan.
2. Assess the strategic initiatives to determine the extent to which the initiatives achieved stated objectives and improved the efficiency and cost-effectiveness of the EMS system. This review encompasses the EMS strategic directions identified above, efficiency concepts and standards, and best EMS practices identified in literature review.
3. Identify opportunities to further improve the efficiency and cost-effectiveness of the EMS system. This review considers benchmarking as a tool to help identify areas for future initiatives and presents examples of strategic initiatives that increased the efficiency and cost-effectiveness of the system while maintaining rigorous standards for patient care.

### **Audit Findings**

The audit found that the EMS Division managed the financial levy resources and financial activities in 2009 in accordance with the adopted 2009 EMS Levy financial plan and policies. The audit also found that many strategic initiatives advanced EMS system

objectives of improving patient care, managing paramedic services, and achieving system efficiencies. For example, the EMS Criteria Based Dispatch Guidelines initiative resulted in approximately \$4.9 million annual cost avoidance between 1998 and 2002.

However, we could not determine from reported outcomes the extent to which many other strategic initiatives had actually achieved expected efficiencies and cost savings. Project plans with established project milestones and performance standards or targets are needed to verify whether actual outcomes or performance improvements were consistent with expected annual or multi-year performance levels. We also found that ALS vehicles are currently used less than six EMS peers and optimum vehicle use has not been determined using life cycle cost analysis.

### **Audit Recommendations**

The audit includes recommendations to strengthen accurate reporting of EMS detailed program balances and reserves by tying Excel worksheets accounting data and calculations back to the county financial systems. The use of a Producer Price Index to forecast increases in replacement costs for ALS vehicles instead of the current index that broadly measures transportation costs is also recommended. In addition, the audit recommends that the EMS Division use the results of a planned benchmarking study to help identify topics for future strategic initiatives to achieve greater efficiencies and cost savings, conduct and use the results of an ALS vehicle life cycle cost analysis, and increase use of remounting to optimize vehicle replacement cycles and lower costs.

### **Executive Response**

The County Executive generally concurred with the audit findings and concurred either partially or fully with the audit recommendations.

